VZCZCXYZ0011 PP RUEHWEB

DE RUEHMO #1536/01 1621400
ZNR UUUUU ZZH
P 111400Z JUN 09
FM AMEMBASSY MOSCOW
TO RUEHRC/USDA FAS WASHDC PRIORITY 5494
RUEHC/SECSTATE WASHDC PRIORITY 3755
INFO RUEHVI/AMEMBASSY VIENNA 4758
RUEHBS/USEU BRUSSELS
RUEHGV/USMISSION GENEVA 5326

UNCLAS MOSCOW 001536

SENSITIVE SIPDIS

USDA FAS FOR OCRA/KUYPERS; ONA/SALLYARDS, MURPHY
- OSTA/HAMILTON, BEAN
PASS FSIS/JONES, DUTROW
STATE FOR EUR/RUS
STATE PASS USTR FOR MURPHY, KLEIN
BRUSSELS PASS APHIS/FERNANDEZ
GENEVA FOR USTR

E.O. 12958: N/A

TAGS: <u>EAGR</u> <u>ETRD</u> <u>ECON</u> <u>WTO</u> <u>RS</u>

SUBJECT: RUSSIAN VET SERVICE THREATENS UNILATERAL ACTION ON PORK CERTIFICATE

REF: A) Moscow 001500 B) Moscow 002979 (2008)

SENSITIVE BUT UNCLASSIFIED

11. (SBU) SUMMARY: On June 5th the Deputy Head of Russian Federal Veterinary and Phytosanitary Surveillance Service (VPSS) informed via official letter that the VPSS would grant an extension on the negotiation of a frozen pork meat and by-products certificate to August 1, 12009. (Ref A) However, in a letter dated June 8, 2009 (received June 10) head of VPSS Head of VPSS Sergey Dankvert further clarified that if an agreement is not reached by August 1, 2009, VPSS would unilaterally apply their draft certificate of February 10, 2009. The original scanned copy and courtesy translation of the VPSS letter were sent to USDA on June 11, 2009. An informal embassy translation of the VPSS letter follows. END SUMMARY.

12. (SBU) BEGIN TEXT:
FEDERAL SERVICE FOR VETERINARY AND
PHYTOSANITARY SURVEILLANCE
Orlikov per., 1/11,
107139, Moscow 84,
Russian Federation
Phone: (7 499) 975-4347
Fax: (7 495) 607-5111
E-mail: info@svfk.mcx.ru
http://www.fsvps.ru

Moscow, June 08, 2009 No. FS-SD-2/5524

Mr. James B. Miller Under Secretary for Farm and Foreign Agricultural Services USDA

Dear Mr. Miller,

The Federal Veterinary and Phytosanitary Surveillance Service (VPSS) extends its regards to the U.S. Department of Agriculture and in response to your letter of June 2, 2009 would like to express its gratitude for the active participation of the U.S. industry in the "round table" during our meetings in Paris. This event allowed us to enlarge mutual understanding of the tasks that are currently in front of the Russian and the U.S. relevant services as well as related to producers and consumers of meat and meat products.

At the same time VPSS would like to draw your attention to the urgent necessity of negotiating the new veterinary certificate for frozen pork meat and by-products exported to the Russian Federation, a draft of which was sent to FSIS on February 10, 2009. We believe that there is not any interconnection between the process of negotiating the document and the orientation visit of the VPSS delegation to the United States, which was planned for the first half of May, 2009. As you know, this visit was cancelled for that time because of the resolution of the Chief Medical Officer of the Russian Federation # 29 of May 06, 2009 "On the measures for prevention of the import and expansion of highly-pathogenic influenza virus in the territory of the Russian Federation" which recommended the Russians to avoid trips to the countries of the American continent.

Now, taking into account your request and the application from FSIS, VPSS considers it possible to extend the deadline for the

negotiation of the veterinary certificate until August 1, 2009. If FSIS will not adopt the document before that date, VPSS will be obliged to bring it into force unilaterally.

Mr. Miller, please let me assure you of my highest esteem.

Head of VPSS S.A. Dankvert

END TEXT.

13. (SBU) Comment. It is clear that VPSS intends to push the limits of its authority by threatening to unilaterally disavow the pork certificate negotiated as part of the U.S.-Russia WTO market access agreement in November 12006. Perhaps the June 9 announcement by Prime Minister Putin to withdraw Russia's WTO bid and reapply as a customs union with Kazakhstan and Belarus (Septel) may have emboldened VPPS to make new threats to the U.S. pork trade with Russia. (N.B. The VPSS letter was dated June 8 but not transmitted to the embassy until June 10, after Putin's June 9 announcement.) In October 2008, when VPPS called into question the validity of the 2006 agreements with respect to plant inspections (REF B), Chief Russian WTO Negotiator Maksim Medvedkov confirmed that the 2006 agreements were valid and that there was a formal procedure in place which Russia would follow if they were to renegotiate those agreements. In addition, since Putin's June 9 announcement about the customs union and WTO, Russian officials have told us they still intend to push forward with resolving SPS and other meat trade issues with the U.S. and other WTO members.(Septel) End Comment.

BEYRLE